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ABSTRACT

The U.S. Bureau of the Census records how much all families and persons in the nation receive. This is done to provide a systematic measure of our economic standing as a people. The bureau makes its record in two ways. First, every 10 years in the census, people are asked how much income they received in the year before Census Day which came on April first in 1970. And second, every year a sample of the U.S. population is asked about income received the previous year. This sample survey, as it is called, provides an annual record of income in the years between censuses. In 1971, median family money income rose above $10,000 a year for the first time. Allowing for inflation, the median family income figure in 1969 was nearly double the 1959 median. The Northeast had the highest regional family income in 1971. However, the West and the North Central States were close to that level. Although lowest among the regions in median family income, the South showed the greatest income gain between 1960 and 1970. To measure the low-income group, an income scale is used that varies with a family's residence, number of persons in the family, and yearly changes in the cost of living. Those getting less than this scale are said to be below the low-income or poverty line. In 1971, the low-income line for a nonfarm family of four was $4,140. (Author/JM)

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We, the Americans

OUR INCOMES

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U.S. DEPARTMENT
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BUREAU OF THE CENSUS

"Time is Money"

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We, the Americans

OUR INCOMES

Ben Franklin pointed out long ago that "time is money." And Shakespeare's advice is "put money in thy purse." These are wise hints about the importance of money in our lives. We should know all about money, especially about the cash income of families. Who can tell us? Where should we go to learn?

4

No. 5 in a Series of Reports from the 1970 Census

The U.S. Bureau of the Census records how much money all families and persons in the Nation receive. This is done to provide a systematic measure of our economic standing as a people.

The Bureau makes its record in two ways. First, every 10 years in the census, people are asked how much income they received in the year before Census Day which came on April 1 in 1970. And second, every year a sample of the United States population is asked about income received the previous year. This sample survey, as it is called, provides an annual record of income in the years between censuses.

One thing to remember about the information from the 10-year censuses: it is so complete that it provides income data for States, counties, towns, and cities, and even neighborhoods in cities. The annual sample survey provides figures only for the United States as a whole and its major regions.

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OUR INCOMES

1971 AN HISTORIC YEAR

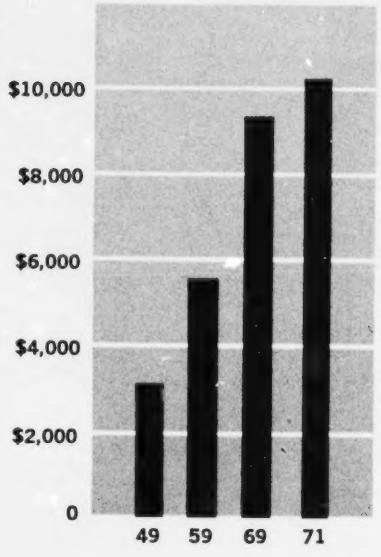
Income history was made in 1971. The Bureau's annual survey showed that median family money income in the United States rose above $10,000 a year for the first time in our history. The median figure was $10,290. The term, "median," means that half of all families got more and half less than this amount. There were 53.3 million families when the survey was made.

Two years earlier, in 1969, median family income was $9,590. This figure is from the 1970 census. Ten years earlier, the median was $5,660. And 20 years earlier, it was $3,070.

OURS AN AFFLUENT SOCIETY

The growth of family income in the United States after World War II is without parallel. It is so unusual that some call ours an "affluent society." Even allowing for price increases or inflation, the growth of income is extraordinary. Allowing for inflation, the median family income figure in 1969 was nearly double the 1949 median. So it can be said that we were about twice as well off in 1969 as in 1949.

MEDIAN FAMILY INCOME IN THE U.S. 1949–1971



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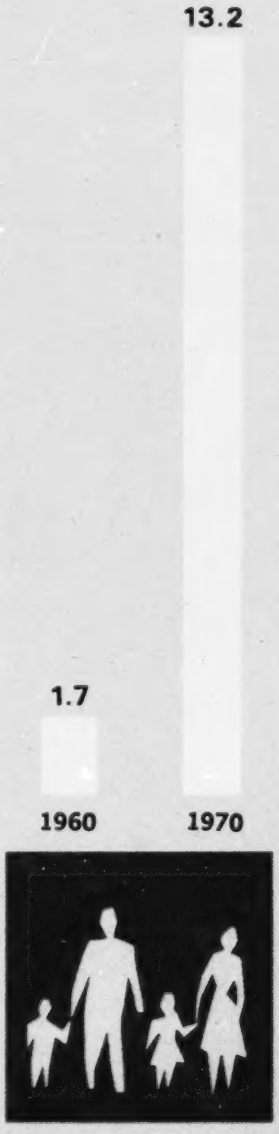
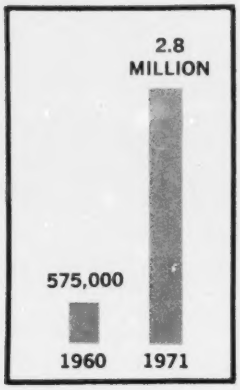
NUMBER OF FAMILIES
(MILLIONS)
WITH $15,000 OR MORE
ANNUAL INCOME
1960 AND 1970



NUMBER OF FAMILIES
WITH $25,000 OR MORE
ANNUAL INCOME–1960 and 1971



AN EVEN MORE AFFLUENT GROUP

The total of well-to-do families has multiplied in recent times. Not many years ago, a family with $15,000 a year in income was highly unusual. By 1971, the total of such families had grown to 13.2 million. There were only 1.7 million in 1960. And back in 1950, there were only 1.3 million with even as much as $10,000 in yearly income.

An even more affluent group, those getting $25,000 or more, has been increasing, too. There were 2.8 million of them in 1971. In just two years, from 1969 to 1971, about 900,000 families had been added to this group.

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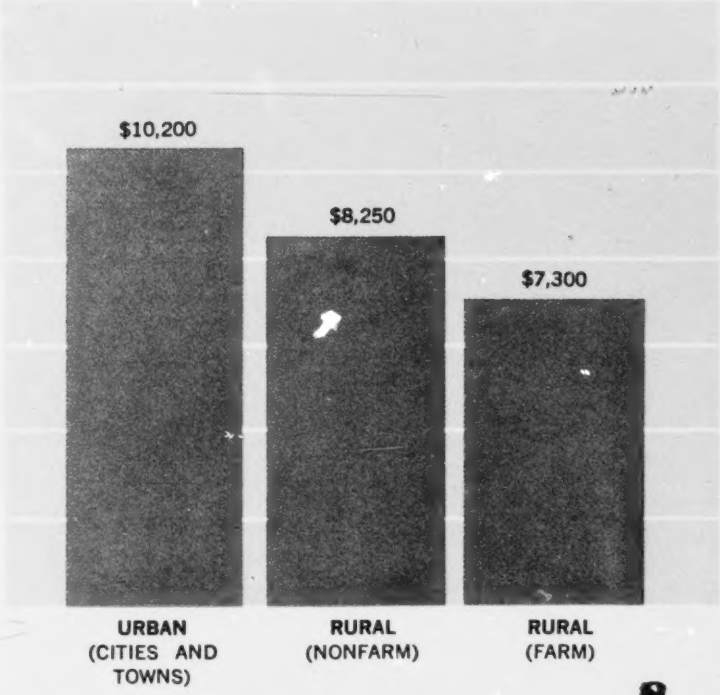
WHERE YOU LIVE COUNTS

Where you live ties into your income level, and vice versa. High income families are more likely to be found in urban areas (cities and towns) than rural areas. Median family income for all urban families was about $10,200, the 1970 census showed. For rural families, the family median was about $8,250 for nonfarm families and $7,300 for families on farms.

Thus, the probability of being in a family with $25,000 or more is much greater in urban than rural areas. In fact, the 1970 census showed that two million of the 2.4 million families in this income group lived in cities and towns. Only 284,746 had rural nonfarm residence, and the number on farms was 92,536.

Let's turn the subject around. The probability of having less than $3,000 in income is greater for people in rural than urban areas, although rural families have income in other forms in addition to cash. Nearly 18 percent of all farm families were in the under-$3,000 group in 1970. About 14 percent of rural nonfarm families and only 9 percent of urban families were in this category.

U.S. MEDIAN FAMILY INCOME LEVELS ($ THOUSANDS)
Urban and Rural

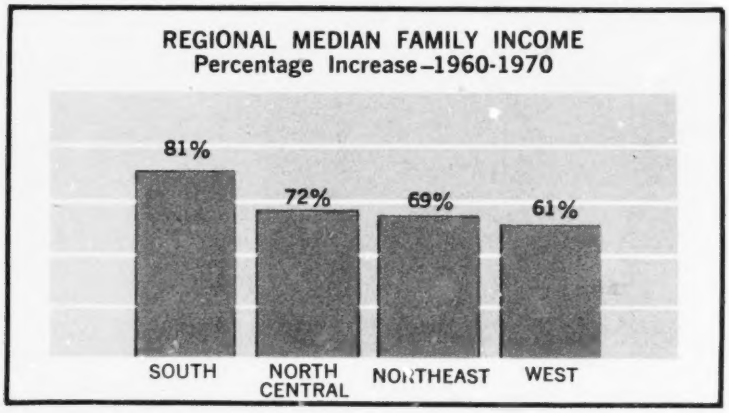


FAMILY INCOME HIGHEST IN THE NORTHEAST . . .

The region and State a family lives in may affect its income level. The Northeast (New England, New York, New Jersey, and Pennsylvania) had the highest regional family income median—about $11,020—in 1971. However, the West ($10,700) and the North Central States ($10,790) were close to that level. In the South, more rural than other regions, the family median was $8,980.

. . . RISING FASTEST IN THE SOUTH

Although lowest among the regions in median family income, the South showed the greatest income gain between 1960 and 1970. Median family income increased by 81 percent between censuses—from a 1959 median of $4,470 to $8,080 in 1969. Gains for the other regions included 72 percent for the North Central region (from $5,890 in 1959 to $10,120); 69 percent for the Northeast (from $6,190 to $10,450); and 61 percent for the West ($6,350 to $10,230).



. . . BUT ALASKA LEADS ALL STATES

Among the States, median family income was highest in Alaska ($12,440), the 1970 census showed. Five others had family medians of $11,000 or more. They were Connecticut ($11,810); Hawaii ($11,550); New Jersey ($11,410); Maryland ($11,060); and Michigan ($11,030). Median family income in 1969 for all States and the District of Columbia is shown in chart to right.

STATES RANKED BY MEDIAN FAMILY INCOME—1969

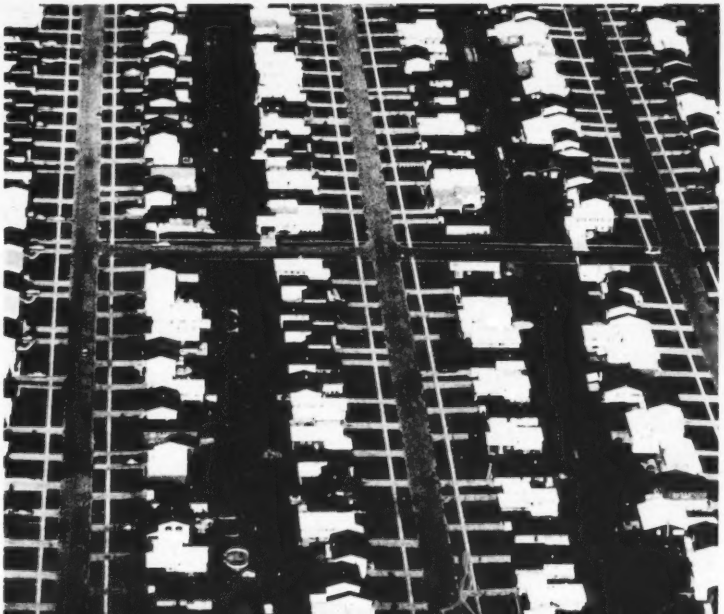
		Thousands of dollars
UNITED STATES		$ 9,590
Alaska	1	12,440
Connecticut	2	11,810
Hawaii	3	11,550
New Jersey	4	11,410
Maryland	5	11,060
Michigan	6	11,030
Illinois	7	10,960
Massachusetts	8	10,840
California	9	10,730
Nevada	10	10,690
New York	11	10,620
Washington	12	10,410
Ohio	13	10,310
Delaware	14	10,210
Wisconsin	15	10,070
Indiana	16	9,970
Minnesota	17	9,930
Rhode Island	18	9,740
New Hampshire	19	9,700
District of Columbia	20	9,580
Colorado	21	9,560
Pennsylvania	22	9,560
Oregon	[illegible]	9,490
Utah	24	9,320
Arizona	25	9,190
Virginia	26	9,050
Iowa	27	9,020
Wyoming	28	8,940
Vermont	29	8,930
Missouri	30	8,910
Kansas	31	8,690
Nebraska	32	8,560
Montana	33	8,510
Texas	34	8,490
Idaho	35	8,380
Florida	36	8,270
Maine	37	8,210
Georgia	38	8,170
New Mexico	39	7,850
North Dakota	40	7,840
North Carolina	41	7,770
Oklahoma	42	7,730
South Carolina	43	7,620
Louisiana	44	7,530
South Dakota	45	7,490
Tennessee	46	7,450
Kentucky	47	7,440
West Virginia	48	7,420
Alabama	49	7,270
Arkansas	50	6,270
Mississippi	51	6,070

SUBURBS HIGH INCOME AREAS

Living in one of the 264 metropolitan areas of the United States also raises the likelihood of having a high income. Incomes are even greater in the suburbs than in the central cities of these metropolitan areas, for the most part.

Median family income was $10,470 in the metropolitan areas, the 1970 census showed. In the central cities it was $9,510 and in the urban rings around the central cities, $11,590.

The total number of metropolitan families was 35 million. Two million got $25,000 or more, and nearly 340,000 received $50,000 or more. In all of the United States, only 398,000 families got $50,000 or more.



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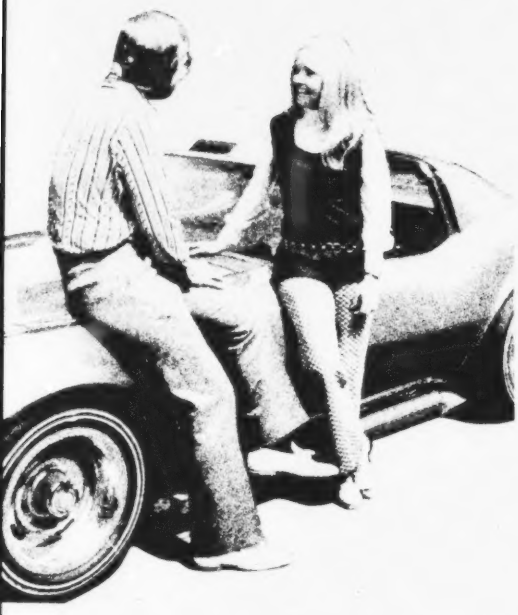

HIGH INCOME COUNTIES USUALLY SUBURBAN

The Nation's high-income counties are for the most part suburban. Among the first 25 U.S. counties or county equivalents (with 50,000 or more in population) ranked according to median family income, only one (the Anchorage, Alaska, census district) was not largely suburban. The highest ranking county was Montgomery County, Maryland, a suburb of Washington, D.C., where the median was $16,710. The leading counties and their family medians follow:

1. Montgomery, Md.	$16,710	14. Morris, N.J.	$13,421
2. Fairfax, Va.	15,707	15. Johnson, Kans.	13,384
3. Nassau, N.Y.	14,632	16. San Mateo, Calif.	13,222
4. Du Page, Ill.	14,458	17. Macomb, Mich.	13,110
5. Marin, Calif.	13,935	18. Fairfield, Conn.	13,086
6. Oakland, Mich.	13,826	19. Lake, Ill.	13,009
7. Westchester, N.Y.	13,784	20. Waukesha, Wis.	12,795
8. Rockland, N.Y.	13,753	21. Norfolk, Mass.	12,749
9. Arlington, Va.	13,743	22. Montgomery, Pa.	12,747
10. Bergen, N.J.	13,597	23. Ozaukee, Wis.	12,620
11. Anchorage, Alaska	13,593	24. Union, N.J.	12,593
12. Howard, Md.	13,472	25. Santa Clara, Calif.	12,456
13. Somerset, N.J.	13,433		

MEN HAVE MORE INCOME THAN WOMEN

What groups in the population receive income? Who is in the high income range? And who is in the low range?

A man is more likely than a woman to have income, and he usually gets more than she. Part of this difference is due to the fact that men are much more likely to be year-round, full-time workers. Whites usually get more than blacks, and persons of Spanish heritage do not average as much income as the U.S. population as a whole.

Yet, women are turning increasingly to gainful employment, and blacks and Spanish heritage persons have improved their income levels noticeably in recent years.

In 1969, median earnings for men in the labor force 16 years of age and older amounted to $7,610. For women in the labor force, the figure was $3,650.

However, the number of women getting income increased to 50 million in 1970 compared with only 35 million 10 years earlier. The total of men receiving income was 64 million in 1970 and 55 million in the previous decade.

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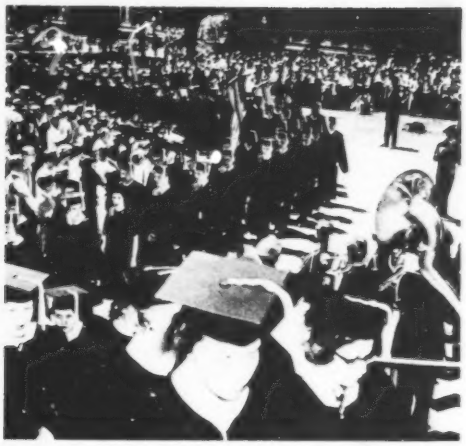

WORKING WIVES MORE NUMEROUS

There has been a dramatic increase in the number of working wives. Part of this shows up in the 43-percent increase in women having income—from 35 million in 1960 to 50 million in 1970. Their entry into the labor force also helps to explain the rapid increase in family income levels.

Only 20 percent of U.S. families had wives in the paid labor force in 1951. By 1971, this proportion had gone up to 34 percent.

Various reasons are advanced for the big increase in the number of working wives. Included are: 1. changing attitudes toward having wives in the labor force; 2. the desire of wives to take advantage of their educations; 3. increased job opportunities; 4. desire for improved living standards; and 5. use of improved labor saving technology in the home. Each factor has undoubtedly played a part in the movement of married women into the paid work force.

Some idea of the contribution made by labor-saving technology in the home can be gained by the knowledge that consumer expenditures for appliances and devices rose from $3.9 billion to $8.3 billion between 1950 and 1969. It is assumed that this additional technology has freed women from much housework and allowed them to work outside the home.

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BLACKS INCREASE INCOME SHARE

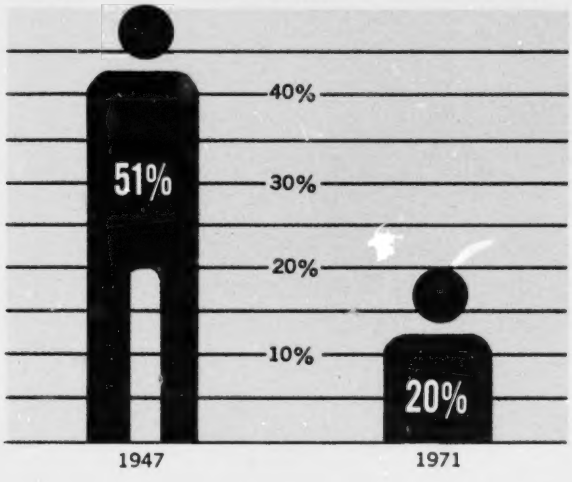
Although blacks do not receive as much income as whites, the income gap between the groups has narrowed considerably. In 1971, black median family income was 63 percent of the white median. Back in 1959, it was only 52 percent of white median family income, allowing for inflation.

Another way to see improvement is to consider the overall improvement in black income. In 1971 dollars, the median family income for blacks and other minority races was $2,930 in 1947. For whites that year, it was $5,710. By 1971, the median for blacks and other races had climbed 129 percent to $6,710. During the same period, the white median rose 87 percent to $10,670.

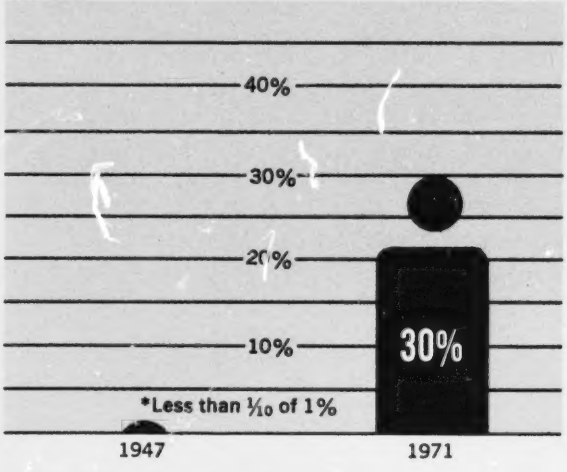
By 1971, 30 percent of all black families received $10,000 or more and only a fifth got $3,000 or less. In comparison, the proportion of families of blacks and other races with $3,000 or less was 51 percent back in 1947.

The black-white income gap is narrower for husband-wife families, particularly those outside of the South, than for all families. In fact, among black husband-wife families in which the family head is 35 years old or less, and both work, there is now no significant income gap outside the South. This group was only about 7 percent of the 1971 total of 4.9 million black families, however.

PERCENTAGE OF BLACK FAMILIES EARNING $3,000 OR LESS–1947 and 1971



PERCENTAGE OF BLACK FAMILIES EARNING $10,000 OR MORE–1947 and 1971



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INCOMES OF SPANISH HERITAGE PEOPLE RECORDED

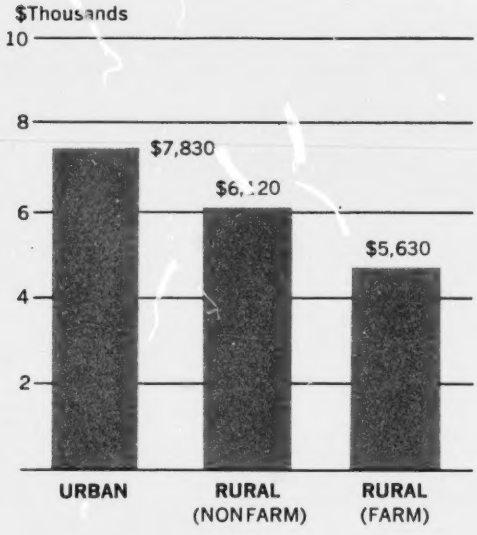
Median family income among persons of Spanish heritage in the U.S. was $7,530 in 1969. The total of these families was just two million, and 11 percent of them (230,462) received $15,000 or more. The bulk of Spanish heritage families (a total of 1.7 million) live in metropolitan areas, where their median income was $7,830, somewhat higher than the $6,050 for the remaining families living outside of metro areas.

There were 192,649 Spanish heritage families with rural nonfarm residence and only 35,644 farm families in 1970. Median family income for the first group was $6,120 and for the second, $5,630.

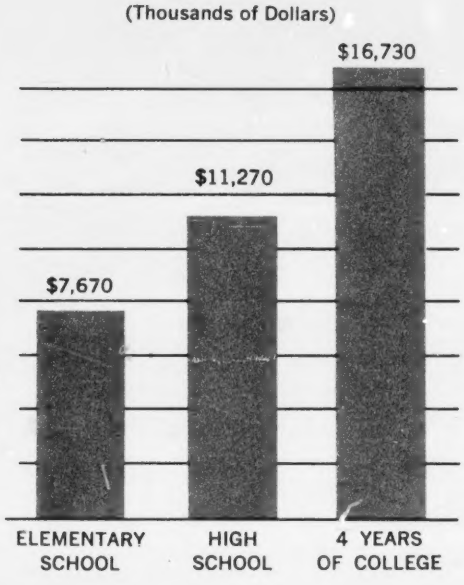
JOB AND SCHOOLING MAKE A DIFFERENCE

Schooling and the job one holds also make a difference in income received. Among families where the head of the family was at least 25 years old and had at least four years of college, the income median was $16,730 in 1971. Where the family head had completed only high school, the 1971 median was $11,270. Where he or she had finished only elementary school, the figure was $7,670.

MEDIAN FAMILY INCOME OF SPANISH HERITAGE PEOPLE—URBAN AND RURAL



MEDIAN FAMILY INCOME BY EDUCATION OF FAMILY HEAD



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INCOME AND OCCUPATION

Managers as well as professional and technical workers receive more income than persons in other occupations. Median family income among families headed by a manager or administrator was $15,500 in 1971. Among families headed by a professional, technical, or kindred worker the 1971 median was $15,130 ($21,400 among the small group of families with heads who were self-employed).

The following table shows 1971 median family income by occupation of the family head:

Occupational Group of Family Head	Median Income
Professional, technical workers etc.	$15,130
Self-employed	21,400
Salaried	14,750
Farmers and Farm Managers	6,700
Managers and Administrators, except farm	15,500
Self-employed	11,720
Salaried	16,560
Clerical and kindred workers	11,030
Sales workers	12,860
Craftsmen, foremen, etc.	11,760
Operatives, etc.	10,040
Household workers	3,220
Service workers (non-household)	8,900
Farm workers and foremen	5,000
Laborers, except farm	8,610

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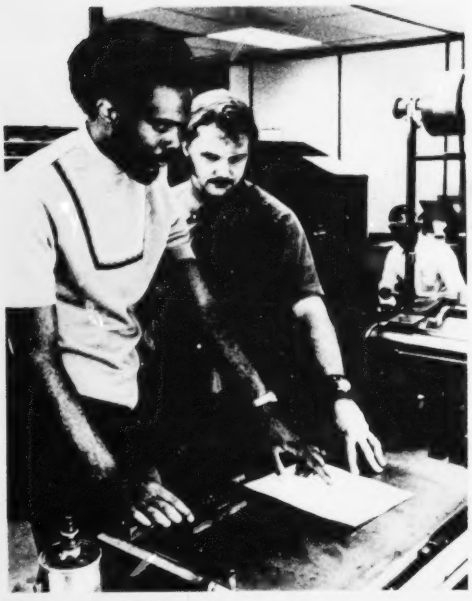
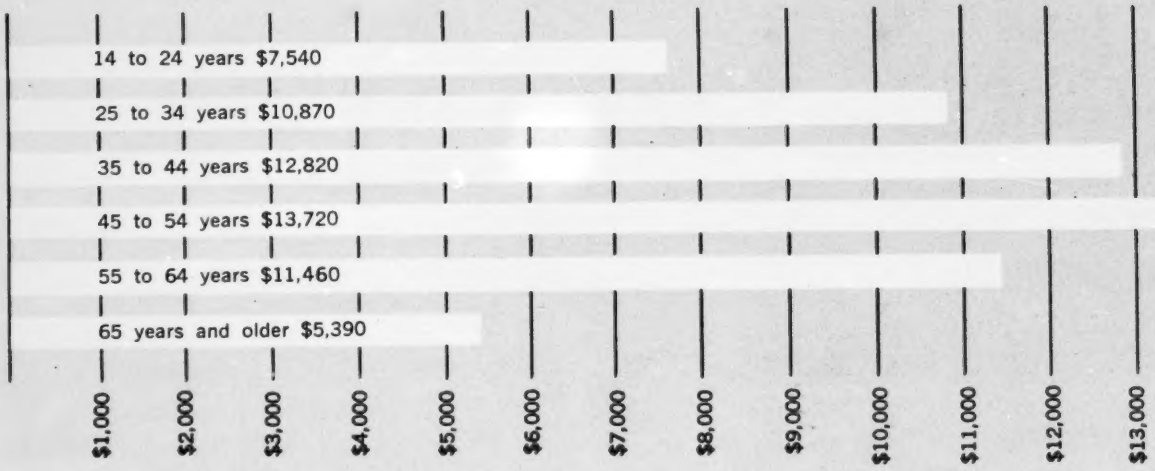


INCOME AND AGE

Most people make their biggest income during middle age. Median income for husband-wife families with a man as family head between 45 and 54 years old was $13,720 in 1971. It was $12,820 among families where the head was 35 to 44 years old. Among families with older or younger heads, however, the median income figure was lower. For example, among husband-wife families with heads 25 to 34, it was $10,870; where the heads were 14 to 24 years, $7,540; 55 to 64 years, $11,460 and 65 years and over, $5,390.

MEDIAN FAMILY INCOME WITH A MAN AS HEAD OF FAMILY
By Age Groups



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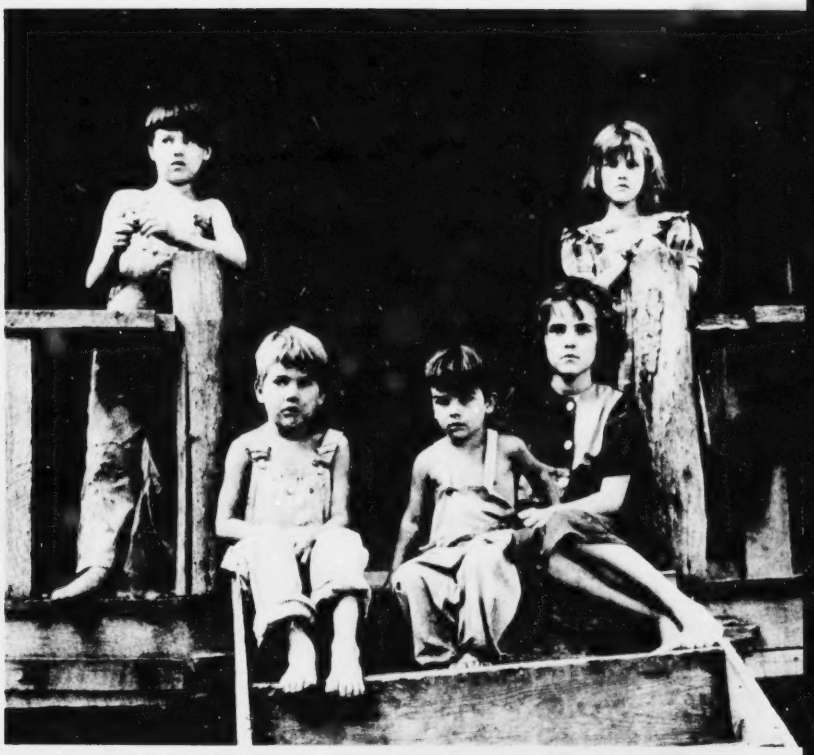

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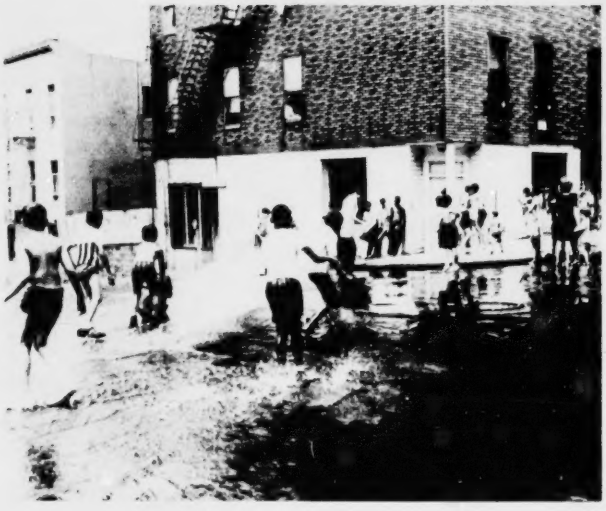
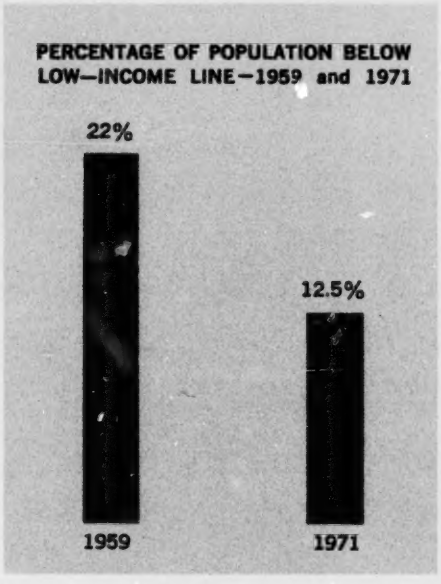
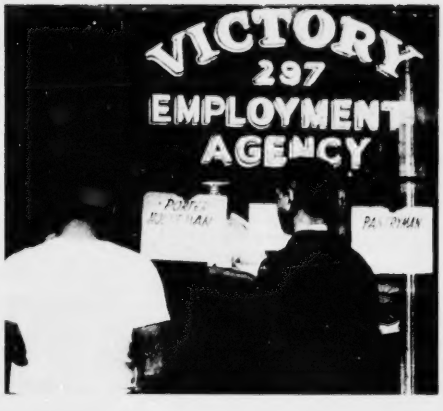




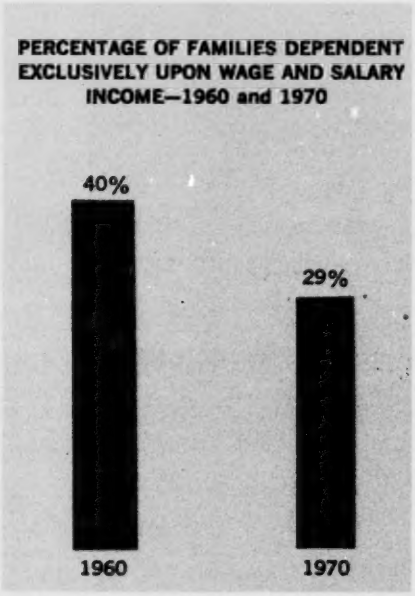


WHO IS BELOW THE LOW-INCOME LINE?

Not all families have high incomes, in spite of the rising income levels that marked the period following World War II. To measure the low-income group, an income scale is used that varies with a family's residence (farm or nonfarm), number of persons in the family, and yearly changes in the cost of living. Those getting less than this scale are said to be below the low-income or poverty line. In 1971, the low-income line for a nonfarm family of four was $4,140.

About 25.6 million persons or 12.5 percent of the population were below the low-income line in 1971. In 1959, the total below the poverty level was 39.5 million or about 22 percent of the population. About 17.8 million of the 1971 poor were white and the rest were blacks or members of other minority races.

A high proportion of families in the low-income group is headed by a woman, and the percentage has been going up. About 40 percent (2.1 million of 5.3 million families below the poverty line) were headed by women in 1971. In 1959, when there were 8.3 million families in the low-income group, 1.9 million were headed by a woman. As incomes have risen in the United States, families headed by a man seem to have benefited more from the improvement than those headed by a woman.



WHERE MONEY COMES FROM

Families are most apt to receive their incomes from wages and salaries, but there are other sources. Of 51.2 million families with income in 1970, 44.1 million had wage and salary income. Not all of their income came from this source, however. In fact, the proportion of families dependent exclusively upon wage and salary income declined from about 40 percent in 1960 to 29 percent in 1970. In addition to wages and salaries, income comes in the form of rents, interest, dividends, sales of farm products and services, public assistance, social security and other kinds of pensions, and self-imployment income.

The following table details the various sources of 1969 income, the total of families getting each type, and the average amount from each type:

1969 FAMILY INCOME, BY SOURCE

Income Source	Total Families	Avg. Amount of Income
Salaries and wages	44.1 million	$10,170
Nonfarm self employment	5.5 million	8,180
Farm self employment	2.4 million	3,520
Social Security	10.1 million	1,630
Public Assistance	2.7 million	1,300
Other income (rents, interests, dividends, pensions, etc.)	18.0 million	2,290

NEED TO UNDERSTAND MONEY

Whatever the source of income, we all have an instinctive sense of its importance in our daily lives. It does not take an advanced degree in economics to make the average person aware of the enormous financial responsibilities imposed on him by today's world. We need all the help we can get to understand income. We hope this booklet has been helpful.